



For Immediate Release
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**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding Fixing the Projected Shortfall to the Highway Trust Fund**

Mr. President, I rise to discuss legislation vital to this nation's transportation infrastructure.

The Highway Trust Fund, the means by which we fund our nation's roads, highways, and bridges, is in trouble.

Mr. President, tomorrow, the U.S. Department of Transportation will slow down payments to states for infrastructure investments.

This is happening because forecasts now suggest that a shortfall of billions of dollars to the Highway Trust Fund will occur in the near future.

This shortfall stems from the agreement during the 2005 Highway bill negotiations where the Bush administration and the Republican-led Congress agreed to spend down the balance of the Highway Trust Fund at a pace that would exceed fuel tax revenues into the Trust Fund.

Last year, we learned that the Trust Fund would run out of money faster than anticipated. Accordingly, the Finance Committee reported out at that time to address this problem.

We tried to move a \$5 billion highway fix earlier this year, as part of a larger FAA reauthorization bill. But that proposal was blocked. So we had to find other ways to pass this critical highway fix.

In the meantime, the Highway Trust Fund problem worsened. As gas prices rose dramatically, fuel tax receipts, which finance the lion's share of the Highway Trust Fund, dropped sharply.

In short, as Americans drive less and purchase less fuel, the Highway Trust Fund's shortfall has worsened, more so even than previously expected.

So, we tried to pass the Highway Trust Fund fix as a standalone bill. Recognizing the dramatically worsening state of the Fund, we proposed an \$8 billion fix. In fact, the \$8 billion fix matched the amount that was taken from the Highway Trust Fund when its balance was deemed to be too large, back in 1998.

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We worked with the House in developing that measure, and the House sent it over to the Senate, by a resounding vote of 387-87.

We attempted to clear that bill through the Senate by unanimous consent on June 26th. But, the bill was blocked.

Then, before the Congress recessed in August, I again attempted to move this \$8 billion Highway Trust Fund fix, as part of the Jobs, Energy, Families and Disaster Relief Act. But that measure also failed to pass.

Ensuring the Highway Trust Fund remains solvent means my state of Montana will not have to suffer more than \$98 million in funding cuts, as well as approximately 3,500 job losses, in the next year.

Nationwide, industry experts tell us that the funding cuts to states would be at least \$14 billion, with job losses approaching 400,000, if we fail to address this Trust Fund need. This would occur at a time when nationwide unemployment is at its highest level in five years.

In transferring \$8 billion from the General Fund into the Highway Trust Fund, we ensure delivery of the full \$41.2 billion in guaranteed highway funding for Fiscal Year 2009.

It is important to remember that the states have been relying on that 2005 agreement between the Bush administration and Congress when developing state budgets over the last several years.

Fixing the Highway Trust Fund will preserve federal funding for roads, highways and bridges. And, it will preserve good-paying jobs that rely on construction and maintenance projects.

An important point is that no offsets are required to fix the Highway Trust Fund because the \$8 billion transfer is intergovernmental.

The Congressional Budget Office indicates that this fix does not constitute a spending outlay, and thus would not violate pay-go.

Likewise, the Joint Committee on Taxation confirms that this transfer will have no revenue effect.

Mr. President, I am pleased that the Bush administration has finally come to its senses and realized the need to address this problem. I am pleased that my colleagues on the other side of this aisle have removed their objections. I am pleased that, now, we are finally going to do what has needed to be done for over a year.

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I want to note that the Chairman of the Subcommittee on Transportation Appropriations, the senior Senator from Washington, has joined me in doing everything that she could do to get this problem fixed. I want to commend her for her sustained efforts in this regard.

So, Mr. President, we should not delay any further.

We should remember the old adage, "There are no Democratic roads, and no Republican roads, only American roads."

We need to fix the Highway Trust Fund now. Our states and our constituents are relying upon us.

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